



# Committee On Finance

Max Baucus, Chairman

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## NEWS RELEASE

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### STEEL REACTION STATEMENT

Senator Max Baucus  
March 5, 2002

In general, I am pleased with the Administration's decision to provide relief under Section 201 to the U.S. steel industry and its workers. The steel industry resoundingly proved its case before the International Trade Commission. Import relief in this case is appropriate -- even overdue.

The relief could have been longer and it could have been more expansive. Although tariffs on some products range as high as 30 percent, I am concerned that tariffs on some other products are much lower; this could create an incentive for product shifting and undermine relief.

This decision demonstrates conclusively, however, that Section 201 is still a vital U.S. trade law that plays a critical role in U.S. trade policy. If we are to have popular support for free trade, Americans demand a safety valve be in place to address surges of imports and allow time for adjustment. Section 201 fills that need.

I understand that some of our trading partners will criticize the Administration's decision. In my view, this action is entirely consistent with U.S. law and with the requirements of the World Trade Organization. I would caution our friends in Europe and Japan away from a knee-jerk challenge of U.S. action in the WTO. Challenging the legitimate use of U.S. trade laws, as in the steel case, risks undermining American support for free trade and the WTO.